

**REMARKS**

**1. Drawings**

Formal drawings are submitted concurrently herewith. It is believed that the objections to the drawings are obviated by the submission of formal drawings.

**2. Specification**

No amendments have been made to the specification. It is respectfully believed that the language “multiple of the functions” at p. 5, l. 32 of the specification is correct. The intent is to describe an embodiment in which multiple of the specific functions identified earlier in ¶20 as being performed by separate machines are performed by a single machine. It is believed that the existing language captures this sense more accurately than reference to otherwise-unspecified “multiple functions.”

**3. Claim Objections**

Claim 5 has been amended to correct the identified misspelling of “the” and has been amended to correct the dependency of the claim. With the corrected dependency, adequate antecedent basis is provided for both “the bundle” and “the process flow.”

Claim 13 has been amended as requested in the Office Action. Applicants note that even with such an amendment, the language of Claim 13 is not intended to implicate 35 U.S.C. §112, ¶6.

#### 4. Claim Rejections

Claims 1 –3, 5, 9 – 11, 17, and 18 stand rejected under 35 U.S.C. §102(b) as anticipated by U.S. Pat. No. 5,012,074 (“Masada”); and Claims 4, 6 – 8, 12 – 16, 19, and 20 stand rejected under 35 U.S.C. §103(a) as unpatentable over Masada.

Each of the independent claims has been amended to characterize aspects of the invention more particularly. Specifically, each independent claim now recites a variant of the limitation of Claim 1 requiring “rejecting the each of the transaction cards if the reference number duplicates any of the previously assigned reference numbers” (Application, p. 5, ll. 9 – 11). Such a limitation is neither taught nor suggested by Masada.

As the Application notes, embodiments of the invention are concerned with avoiding duplication of numbers assigned to transaction cards during production (*id.*, p. 3, ll. 30 – 33). Rather than merely attempting to assign numbers in advance and choosing numbers that have not been used previously (*id.*, p. 4, ll. 1 – 5), embodiments of the invention perform a separate duplication check after production, leading to improved reliability in avoiding duplication and other advantages (*id.*, p. 4, ll. 5 – 10).

Masada functions in a completely different way. To reduce the risk that forged IC cards will be issued by dishonest operators (Masada, Col. 2, ll. 62 – 64), Masada teaches an arrangement in which a manufacturer’s identification code is both (1) entered into a memory device on the IC card when an issuer gives a manufacturer an order for the IC card and (2) entered into an external memory in a secured area (*id.*, Col. 3, ll. 20 – 25). When the IC card is to be issued, transmission of the code stored in external memory is initiated (*id.*, Col. 3, ll. 42 – 50) so that it may be compared with the code stored on the IC card (*id.*, Col. 3, l. 60 – Col. 4, l. 6). Masada teaches that a match between the codes is desirable and is part of the process of enabling the operator to write an identification or account number on the IC card (*id.*, Col. 4, ll. 6 – 10; Col. 4, ll. 30 – 38).

The Office Action indicates that the manufacturer’s identification code “serves as a reference number as claimed in claim 1” (Office Action, p. 4, l. 1). But the way in which the manufacturer’s identification code is used is opposite to the way use of the reference number is


claimed. In particular, Masada teaches that the manufacturer's identification code must be *duplicated* on the card and in data received from the secured area in order for the card to be accepted and processed further. The claims instead embrace an invention in which duplication of the reference number is undesirable, now reciting explicitly rejection of a transaction card in the event duplication is detected. Thus, not only are the claims not anticipated by Masada, they are not obvious over Masada. This is evident from the clear teaching away of the claimed combination by Masada, a factor that has long been recognized as evidence of non-obviousness.

### CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

  
Patrick M. Boucher  
Reg. No. 44,037

TOWNSEND and TOWNSEND and CREW LLP  
Two Embarcadero Center, Eighth Floor  
San Francisco, California 94111-3834  
Tel: 303-571-4000  
Fax: 415-576-0300  
PMB:pmb  
60330133 v1